

2023

LANXESS AG ANNUAL FINANCIAL STATEMENTS

LANXESS AKTIENGESELLSCHAFT, COLOGNE

1	Income Statement	8	Notes to the Statement of Financial Position	15	(32) Notification of Interests Held in the Company (Section 160, Paragraph 1, No. 8 AktG)
2	Statement of Financial Position	8	(13) Non-Current Assets	15	(33) Derivative Financial Instruments
3	Notes to the Annual Financial Statements of LANXESS Aktiengesellschaft, Cologne, for the Fiscal Year 2023	9	(14) Shareholdings Pursuant to Section 285, No. 11 HGB	17	(34) Total Compensation of the Board of Management and Supervisory Board (Pursuant to Section 285, No. 9a HGB)
3	General Information	9	(15) Loans to Subsidiaries	17	(35) Total Remuneration of Former Members of the Board of Management and of Members of the Board of Management Who Stepped Down During the Fiscal Year (Pursuant to Section 285, No. 9a and No. 9b HGB)
3	Fundamentals	9	(16) Other Loans	18	(36) Loans and Advances Granted to Members of the Board of Management and the Supervisory Board (Pursuant to Section 285, No. 9c HGB)
3	Accounting Policies and Valuation Principles	9	(17) Receivables from Affiliated Companies	18	(37) Amounts Barred from Distribution (Pursuant to Section 253, Paragraph 6, Sentence 2 HGB)
6	Notes to the Income Statement	9	(18) Other Assets	18	(38) Events After the End of the Reporting Period
6	(1) Sales	10	(19) Securities	18	(39) Appropriation of Earnings
6	(2) Cost of Sales	10	(20) Prepaid Expenses	18	(40) Corporate Officers
6	(3) General Administration Expenses	10	(21) Equity	21	Disclosures Pursuant to Section 160, Paragraph 1, No. 8 of the German Stock Corporation Act (AktG)
6	(4) Other Operating Income	11	(22) Provisions for Pensions and Other Post-Employment Benefits	22	List of Shareholdings
6	(5) Other Operating Expenses	12	(23) Tax Provisions	25	Responsibility Statement
6	(6) Income from Other Securities and Loans Included in Financial Non-Current Assets	12	(24) Other Provisions	26	Independent Auditor's Report
6	(7) Net Interest Expense	13	(25) Bonds		
7	(8) Other Financial Income and Expenses – Net	13	(26) Liabilities to Banks		
7	(9) Income Taxes	13	(27) Trade Payables		
7	(10) Personnel Expenses	13	(28) Payables to Affiliated Companies		
7	(11) Employees	13	(29) Other Liabilities		
7	(12) Audit Fees	14	(30) Further Information on Liabilities		
		14	(31) Contingent Liabilities from Guarantees		
		15	Other Mandatory Disclosures		

Income Statement

LANXESS AG

€ thousand	Notes	Dec. 31, 2022	Dec. 31, 2023
Sales	(1)	5,780	5,843
Cost of sales	(2)	(5,546)	(4,692)
Gross profit		234	1,151
General administration expenses	(3)	(48,846)	(36,406)
Other operating income	(4)	1,876	2,934
Other operating expenses	(5)	(772)	(16,358)
Operating result		(47,508)	(48,679)
Income from investments in affiliated companies		987,903	0
Expense for loss absorption from affiliated companies		0	(87,610)
Income from other securities and loans included in financial non-current assets	(6)	7,292	9,505
Net interest expense	(7)	85,568	151,406
Write-downs of financial assets and marketable securities		(3,963)	0
Other financial income and expenses – net	(8)	(11,690)	8,229
Financial result		1,065,110	81,530
Income taxes	(9)	(4,045)	(17,665)
Income after income taxes		1,013,557	15,186
Net income for the year		1,013,557	15,186
Carryforward to new account	(21)	11,194	427,309
Addition to other retained earnings	(21)	(506,779)	0
Distributable profit		517,972	442,495

Statement of Financial Position

LANXESS AG

€ thousand	Notes	Dec. 31, 2022	Dec. 31, 2023
ASSETS			
Non-current assets	(13)		
Property, plant and equipment		38	34
Financial assets			
Investments in affiliated companies	(14)	738,864	738,864
Loans to subsidiaries	(15)	98,670	98,670
Other loans	(16)	58,442	61,456
		896,014	899,024
Current assets			
Receivables and other assets			
Receivables from affiliated companies	(17)	8,426,625	6,569,042
Other assets	(18)	44,066	43,219
Securities	(19)	78,500	350,000
Liquid assets		77,399	30,834
		8,626,590	6,993,095
Prepaid expenses	(20)	31,120	17,056
Total assets		9,553,724	7,909,175

€ thousand	Notes	Dec. 31, 2022	Dec. 31, 2023
EQUITY AND LIABILITIES			
Equity	(21)		
Capital stock (conditional capital €9,152 thousand)		86,346	86,346
Capital reserves		1,235,706	1,235,706
Other retained earnings		913,481	913,481
Distributable profit		517,972	442,495
		2,753,505	2,678,028
Provisions			
Provisions for pensions and other post-employment benefit obligations	(22)	105,773	112,780
Tax provisions	(23)	16,896	29,402
Other provisions	(24)	24,139	17,233
		146,808	159,415
Liabilities			
Bonds	(25)	3,300,000	2,800,000
Liabilities to banks	(26)	730,228	16,146
Trade payables	(27)	2,540	600
Payables to affiliated companies	(28)	2,618,099	2,254,347
Other liabilities	(29)	2,544	639
		6,653,411	5,071,732
Total equity and liabilities		9,553,724	7,909,175
Contingent liabilities from guarantees	(31)	152,342	203,340

Notes to the Annual Financial Statements of LANXESS Aktiengesellschaft, Cologne, for the Fiscal Year 2023

GENERAL INFORMATION

The Board of Management and Supervisory Board have issued the declaration required under Section 161 of the German Stock Corporation Act (AktG) regarding the German Corporate Governance Code. This has been made available to the stockholders and can be found at www.lanxess.com in the Investors section under Corporate Governance.

FUNDAMENTALS

The annual financial statements of LANXESS AG, Cologne (registered at Cologne District Court, HRB 53652), are prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act that are applicable to large stock corporations as well as the supplementary provisions of the articles of association. As in the previous year, the management report of LANXESS AG has been combined with the management report of the LANXESS Group in application of Section 315, Paragraph 5 HGB in conjunction with Section 298, Paragraph 2 HGB.

To enhance clarity, certain items in the income statement and the statement of financial position are combined and are explained in the Notes. Also for reasons of clarity, the "of which" items required for certain financial statement items are included exclusively in the Notes.

The income statement has been drawn up using the cost-of-sales method.

Financial income and expenses whose disclosure is not covered by a mandatory item and which cannot be assigned to a separate item are reported under other financial income or expenses.

As the primary parent company of the LANXESS Group, LANXESS AG has prepared consolidated financial statements as of December 31, 2023, in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union.

The annual financial statements and combined management report for fiscal year 2023 prepared in application of Section 315, Paragraph 5 HGB in conjunction with Section 298, Paragraph 2 HGB are published together with the auditor's report in the German Federal Gazette

(Unternehmensregister). They are made available at www.lanxess.de under Investors, Publications.

ACCOUNTING POLICIES AND VALUATION PRINCIPLES

Intangible assets that have been acquired are recognized at cost and amortized on a straight-line basis over their estimated useful lives. Self-generated intangible assets are not capitalized.

Property, plant and equipment is carried at the cost of acquisition. Assets subject to depletion are depreciated. Write-downs are made for any declines in value that go beyond the depletion reflected in depreciation and are expected to be permanent. Additions made in the reporting year are depreciated using the straight-line method.

Low-value assets costing up to €250.00 are expensed in the year of acquisition. Low-value assets costing between €250.00 and €1,000.00 are combined in a collective item and depreciated over five years using the straight-line method.

Useful lives of intangible assets, property, plant and equipment:

Software licenses	3 to 4 years
Computer equipment	3 to 4 years
Furniture, fixtures and other equipment	4 to 10 years

Investments in affiliated companies are recognized at cost of acquisition, less write-downs for any decline in value that is expected to be permanent. Where the reasons for write-downs made in previous years no longer apply or only partially apply, the respective items are written back accordingly, provided that the write-back does not cause the carrying amount to exceed the cost of acquisition.

Cash has been deposited in a fiduciary account to meet the obligations relating to the "demographic change fund" for employees defined in the collective bargaining agreement for the German chemical industry. This cash deposit is administered on behalf of LANXESS AG by the fiduciary agent Willis Towers Watson and is ring-fenced against other creditors' claims. The level of benefits owed to the employees thus meets the conditions for classification as "securities-linked pension or similar commitments" pursuant to Section 253, Paragraph 1, Sentence 3 HGB. The fund assets as defined in Section 246, Paragraph 2, Sentence 2, Subsentence 1 HGB are measured at fair value pursuant to Section 253, Paragraph 1, Sentence 4 HGB and offset against the underlying commitments pursuant to Section 246, Paragraph 2, Sentence 2, Subsentence 1 HGB. Since, in the case of "securities-linked pension and similar commitments,"

adjusting the carrying amount of the commitments to the fair value of the corresponding assets acts as a de facto bar to distribution, the ban on distribution pursuant to Section 268, Paragraph 8, Sentence 3 in conjunction with Sentence 1 HGB therefore does not apply.

Loans receivable that are interest-free or bear low rates of interest are carried at present value; other loans receivable are carried at nominal value.

Receivables and other assets are stated at nominal value, less any necessary write-downs. The amounts of such write-downs reflect the probability of default.

Marketable securities are valued at the lower of cost and fair value.

Bank deposits held in euro are recognized at their nominal value; such assets held in foreign currencies are translated at the spot rate on the closing date of the financial statements.

Disbursements prior to the closing date that represent spending for a specific period thereafter are recognized as prepaid expenses. Also included are the differences between the issue and settlement amount for bonds issued by LANXESS AG that will be amortized over the maturity of the bonds.

Deferred taxes are calculated for temporary differences between the accounting valuations and tax valuations of assets, liabilities and deferred items. As the primary company of the LANXESS Group's fiscal entity in

Germany, LANXESS AG therefore has to recognize temporary differences relating both to its own financial statements and to those of companies with which it forms a fiscal entity. In addition to temporary differences, tax loss carryforwards are also accounted for. Deferred taxes are based on the aggregate income tax rate for all companies in LANXESS AG's fiscal entity, which is currently 29.0% (previous year: 29.3%). The combined income tax rate comprises corporate income tax, trade tax and the solidarity surcharge. Any resulting tax liability would be recognized as a deferred tax liability in the statement of financial position. The option of capitalizing tax refunds is not utilized. In the reporting year, there was a net surplus of deferred tax assets, which is not recognized.

The capital stock is stated at par value.

Provisions for pensions and other post-employment benefits are computed using the projected unit credit method on the basis of biometric probability using the Heubeck 2018 G reference tables. Expected future salary and pension increases are taken into account. The current assumptions for salary increases are unchanged from the previous year at 2.50% for non-managerial employees and 2.75% for managerial employees. For older pension commitments, the expected rate of increase was increased to 2.20% in the annual financial statements for 2023 (previous year: 2.00%). For pension commitments from 2001 onwards, the expected rate of increase is unchanged from the previous year at 1.00%. The discount rate used is 1.82% (previous year: 1.78%) for pensions, 1.07% (previous year: 0.58%) for early retirement benefits and 1.74% (previous year: 1.44%) for

miscellaneous post-employment benefits. The interest rate used to discount pension obligations to December 31, 2023, is the average market interest rate for the past ten fiscal years for an assumed residual maturity of 15 years as calculated and published by the Deutsche Bundesbank. The interest rates for the other personnel-related provisions measured using financial calculation methods correspond to the average market interest rate of the past seven years published by the Deutsche Bundesbank. For the miscellaneous post-employment benefits, a general residual maturity of 15 years was assumed. The actual residual maturity of three years was recognized for the early retirement obligations.

For employees who joined after December 31, 2016, and new employees, LANXESS has launched a pension model comprising employee- and employer-financed components as an accessory to pension liability insurance. The settlement amount of the obligation equates to the fair value of the pension liability insurance secured via a contractual trust arrangement (CTA), which constitutes fund assets as defined in Section 246, Paragraph 2, Sentence 2 HGB, so the obligation and fund assets balance out to zero. In the case of the present commitment, the interest expense from the interest portion of the provision equals the income from the pension liability insurance. Both amounts are to be netted in accordance with Section 246, Paragraph 2, Sentence 2 HGB.

Tax provisions are established for the amounts of tax arrears expected to be payable less the advance payments made and for tax risks.

LANXESS AG is within the scope of the OECD model rules (Pillar Two model rules). In Germany, the Pillar Two legislation entered into force on December 28, 2023, and applies from fiscal year 2024. For this reason, an analysis was carried out to determine the fundamental impact and the jurisdictions from which LANXESS is exposed to possible effects in connection with a Pillar Two top-up tax. The first step was to check whether the safe harbor regulations were applicable. If a country was not excluded from the Pillar Two calculation after checking the safe harbor regulations, the effective tax rate was calculated on a simplified basis. The amounts calculated are immaterial for LANXESS AG. The company applies the exception provided by Section 274, Paragraph 3 HGB, according to which an entity does not recognize or disclose deferred tax assets and liabilities related to the OECD Pillar Two income taxes.

The other provisions are established to cover all foreseeable risks and uncertain liabilities, based on reasonable estimates of the future settlement amounts of such commitments. Future price and cost increases are taken into account if there are sufficient objective indications that they will occur. Provisions maturing in more than one

year are discounted to present value using the average market interest rate for the past seven years, based on their remaining maturities.

Liabilities are generally reflected at their settlement amounts.

Contingent liabilities arising from sureties and debt guarantees are shown at the amounts equivalent to the loans or commitments actually outstanding on the closing date.

Income and expenses are accrued in the fiscal year.

Foreign currency receivables and liabilities, forward exchange contracts and other currency derivatives are recognized using the mark-to-market method. Foreign currency receivables and payables are valued at middle spot exchange rates, while currency derivatives contracts concluded to hedge them are valued at the forward market rates on the closing date. Valuation gains and losses are offset against one another. Provisions for impending losses are established with respect to any excess of losses over gains. Gains are only recognized if they relate to receivables and payables due within one year. Foreign currency cash and cash equivalents and balances with banks are translated at the average exchange rates prevailing on the closing date.

NOTES TO THE INCOME STATEMENT

1 | Sales

Sales revenues totaled €5,843 thousand (previous year: €5,780 thousand) and related mainly to services provided to LANXESS Deutschland GmbH in Germany on the basis of a service agreement.

2 | Cost of Sales

The cost of sales totaling €4,692 thousand (previous year: €5,546 thousand) primarily comprised expenses relating to the services provided. These were in particular personnel and general administration expenses.

3 | General Administration Expenses

The general administration expenses of €36,406 thousand (previous year: €48,846 thousand) principally comprised personnel and other business expenses not directly related to the service agreement with LANXESS Deutschland GmbH. The decrease resulted primarily from lower personnel expenses for performance-based compensation components.

4 | Other Operating Income

The other operating income included prior-period income of €2,233 thousand (previous year: €1,872 thousand) from the reversal of provisions.

5 | Other Operating Expenses

The increase in other operating expenses related to the FORWARD! action plan and the strategic realignment. The other operating expenses included prior-period expenses of €3 thousand (previous year: €39 thousand).

6 | Income from Other Securities and Loans Included in Financial Non-Current Assets

The income from other securities and loans included in financial non-current assets comprised income of €4,379 thousand (previous year: €5,388 thousand) from a long-term loan to LANXESS Deutschland GmbH as well as income from the pro rata trust assets of LANXESS Pension Trust e.V., Leverkusen, of €5,126 thousand (previous year: €1,903 thousand), and €1,977 thousand related to income from previous years.

7 | Net Interest Expense

€ thousand	2022	2023
Other interest and similar income		
from third parties	85,278	8,377
from affiliated companies	83,658	275,819
	168,936	284,196
Interest and similar expenses		
to third parties	66,284	49,143
for the interest portion of provisions for pensions and other non-current provisions	1,774	1,874
to affiliated companies	15,310	81,773
	83,368	132,790
Net interest expense	85,568	151,406

Other interest and similar income from affiliated companies and interest and similar expenses to affiliated companies were mainly influenced by the increase in the general interest rate level. The other interest and similar income from third parties recognized in the previous year was mainly influenced by the settlement of interest rate swaps in the amount of €83,215 thousand.

8 | Other Financial Income and Expenses – Net

€ thousand	2022	2023
Other financial expenses		
Exchange losses	603,739	394,230
Miscellaneous financial expenses	12,980	20,467
	616,719	414,697
Other financial income		
Exchange gains	602,670	421,579
Miscellaneous financial income	2,359	1,347
	605,029	422,926
Other financial income (expenses) – net	(11,690)	8,229

The exchange gains and losses were principally attributable to foreign currency items relating to LANXESS AG and to the valuation of foreign currency transactions undertaken with third parties on behalf of Group companies.

The miscellaneous financial expenses include guarantee commission payments to affiliated companies as well as reversals of the discounts on the bonds issued, which were recognized as prepaid expenses. In fiscal year 2023, this figure was increased by €9,548 thousand due to the early repayment of the bond originally maturing in 2076. Miscellaneous financial income largely comprised guarantee commission payments received from affiliated companies.

9 | Income Taxes

The tax expense of €17,665 thousand in the reporting year (previous year: €4,045 thousand) is the aggregate of the tax expense of €0 thousand for the reporting year (previous year: €3,438 thousand) and the tax expense of €17,665 thousand (previous year: €607 thousand) in respect of previous years.

Tax expense does not include deferred taxes. As of December 31, 2023, LANXESS AG expected to receive a future tax benefit resulting from temporary accounting differences, both in its own financial statements and in those of companies with which it forms a fiscal entity for tax purposes. This amount was calculated on the basis of a combined income tax rate of 29.0% (LANXESS AG and companies with which it has profit and loss transfer agreements).

Deferred tax liabilities mainly relate to differences in valuations of property, plant and equipment, intangible assets and equity interests in Group companies. A deferred tax asset is recognized as a result of the higher pension obligations recognized for accounting purposes than for tax purposes. Other deferred tax assets relate to provisions that are not tax-deductible, such as those for impending losses or for pre-retirement leave, and valuation differences, as in the case of provisions for service anniversaries and miscellaneous provisions and liabilities.

10 | Personnel Expenses

€ thousand	2022	2023
Wages and salaries	28,834	21,488
Social expenses and expenses for pensions and other benefits	12,682	10,039
of which for pensions	10,876	7,697
	41,516	31,527

The interest portion of personnel-related provisions, especially provisions for pensions, is recognized not in personnel expenses but in interest expense.

11 | Employees

	Dec. 31, 2022	Average 2023	Dec. 31, 2023
General administration	147	147	147

12 | Audit Fees

All fees for the services of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft are published in the notes to the LANXESS Group consolidated financial statements. The fees were mainly paid for the audit of

LANXESS AG's annual financial statements and of the consolidated financial statements including the early warning system and for the review of the condensed consolidated interim financial statements. Fees were also paid for other audit-related services and other services. The other audit-related services primarily include services in connection with sustainability reporting and for audit certificates. The other services include project-related consulting services.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

13 | Non-Current Assets

€ thousand	Gross carrying amounts				Amortization/depreciation and write-downs				Net carrying amounts	
	Jan. 1, 2023	Additions	Disposals	Dec. 31, 2023	Jan. 1, 2023	Additions	Disposals	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
Intangible assets										
Software licenses	60	0	0	60	60	0	0	60	0	0
	60	0	0	60	60	0	0	60	0	0
Property, plant and equipment										
Furniture, fixtures and other equipment	136	15	35	116	98	19	35	82	38	34
	136	15	35	116	98	19	35	82	38	34
Financial assets										
Investments in affiliated companies	738,864	0	0	738,864	0	0	0	0	738,864	738,864
Loans to subsidiaries	98,670	0	0	98,670	0	0	0	0	98,670	98,670
Other loans	58,442	7,541	4,527	61,456	0	0	0	0	58,442	61,456
	895,976	7,541	4,527	898,990	0	0	0	0	895,976	898,990
Total non-current assets	896,172	7,556	4,562	899,166	158	19	35	142	896,014	899,024

14 | Shareholdings Pursuant to Section 285, No. 11 HGB

The mandatory disclosures in accordance with Section 285, No. 11 HGB are contained in the list of shareholdings.

15 | Loans to Subsidiaries

Loans to subsidiaries comprised one long-term loan to LANXESS Deutschland GmbH.

16 | Other Loans

The other loans almost entirely comprised the pro rata trust assets of LANXESS Pension Trust e.V. (LXS Trust). LANXESS AG (trustor) has transferred cash amounting to €56,834 thousand, of which €0 thousand (previous year: €0 thousand) in the reporting year, to LXS Trust (trustee) in several tranches under a contractual trust arrangement (CTA) to secure pension obligations.

The pro rata trust assets of LANXESS AG are primarily invested in shares in a special fund run by an investment management company. Revenue recognition by LANXESS AG takes place at the time a distribution resolution is reached by the investment management company. Contractually agreed obligations for the payment of additional premiums by the trustor may also have an impact. One distribution resolution amounting to €1,910 thousand was passed in the reporting period. A further portion of the trust assets is invested in other investment funds. Here, too, revenue at the level of

LANXESS AG is recognized on distribution. There were no distributions from the investment funds in 2023. In fiscal year 2023, LXS Trust invested funds of €5,564 thousand from sales of shares in the special fund in the other investment funds. The additions to other loans also include additions from previous years of €1,977 thousand.

The net income and expenses of €5,126 thousand recorded in the reporting year (previous year: €435 thousand) largely resulted from distributions from the special fund and from the sales of shares by LXS Trust, and €1,977 thousand related to the previous year. These are recognized in income from securities and loans included in financial non-current assets. The fair value of the pro rata trust assets in LXS Trust exceeded their carrying amount at year end.

Since the assets allocated to the CTA do not constitute plan assets within the meaning of Section 246, Paragraph 2, Sentence 2 HGB, they are measured at cost of acquisition pursuant to Section 253, Paragraph 1, Sentence 4 HGB and not at fair value, and there is no ban on their distribution.

Cash has been deposited in a fiduciary account annually to meet the obligations relating to the “demographic change fund” for employees defined in the collective bargaining agreement for the German chemical industry. The fair value of the fiduciary assets corresponds to the fair value of the obligations under the “demographic change fund” amounting to €318 thousand (previous year: €332 thousand). The carrying amounts of the fiduciary assets and the obligations recognized under other provisions have been netted, as have income and expenses.

17 | Receivables from Affiliated Companies

Receivables from affiliated companies totaling €6,569,042 thousand (previous year: €8,426,625 thousand) related mainly to short-term loans receivable, including accrued interest, receivables from financial transactions and, in the previous year, receivables under the profit and loss transfer agreement with LANXESS Deutschland GmbH. Trade receivables amounting to €1,008 thousand (previous year: €1,307 thousand) existed in connection with the service agreement described in Note (1). Furthermore, there were no receivables with maturities in excess of one year, as in the previous year.

18 | Other Assets

Other assets comprised the following:

€ thousand	2022	2023
Tax claims		
from income taxes	5,968	18,348
from sales taxes	28,971	21,463
Miscellaneous assets	9,127	3,408
	44,066	43,219

All of the other assets were due in the respective following year.

19 | Securities

The securities of €350,000 thousand (previous year: €78,500 thousand) comprise units in money market funds that can be sold at any time.

20 | Prepaid Expenses

The prepaid expenses in fiscal year 2023 mainly included discounts of €16,914 thousand (previous year: €30,823 thousand) on the bonds issued. The decrease is primarily attributable to the reversal of prepaid expenses of €9,548 thousand due to the early repayment of the bond originally maturing in 2076.

21 | Equity

Changes in equity in 2023 were as follows:

€ thousand	Dec. 31, 2022	Dividend	Net income	Dec. 31, 2023
Capital stock	86,346	0	0	86,346
Capital reserves	1,235,706	0	0	1,235,706
Other retained earnings	913,841	0	0	913,841
Distributable profit	517,972	(90,663)	15,186	442,495
	2,753,505	(90,663)	15,186	2,678,028

As of the closing date, the capital stock was thus still divided into 86,346,303 no-par bearer shares with a notional share in the capital stock of €1.00 per share. All shares carry the same rights and obligations. One vote is granted per share, and profit is distributed per share.

On the basis of the proposed resolution submitted to the Annual Stockholders' Meeting, the Annual Stockholders' Meeting on May 24, 2023, resolved to utilize the distributable profit for fiscal year 2022, amounting to €517,972 thousand, as follows:

- › To pay a dividend totaling €90,663 thousand (€1.05 per no-par share entitled to the dividend)
- › To carry forward €427,309 thousand to new account

Authorized Capital I

Pursuant to Section 4, Paragraph 3 of LANXESS AG's articles of association, the Annual Stockholders' Meeting on May 24, 2023, authorized the Board of Management until May 23, 2026, with the approval of the Supervisory Board, to increase the capital stock on one or more occasions by issuing new no-par bearer shares against cash or contributions in kind up to a total amount of €17,269,260 (Authorized Capital I). Stockholders are generally entitled to subscription rights when Authorized Capital I is utilized. These rights can be excluded in certain cases which are defined in Section 4, Paragraph 3 of the articles of association of LANXESS AG. Authorized Capital I has not yet been utilized.

Authorized Capital II

Furthermore, pursuant to Section 4, Paragraph 4 of LANXESS AG's articles of association, the Annual Stockholders' Meeting on May 24, 2023, authorized the Board of Management until May 23, 2025, with the approval of the Supervisory Board, to increase the capital stock on one or more occasions by issuing new no-par bearer shares against cash contributions up to a total amount of €8,634,630 (Authorized Capital II). Stockholders are generally entitled to subscription rights when Authorized Capital II is utilized. These rights can be excluded in certain cases which are defined in Section 4, Paragraph 4 of the articles of association of LANXESS AG. Authorized Capital II has likewise not yet been utilized.

Conditional Capital

The Annual Stockholders' Meeting of LANXESS AG on May 24, 2023, authorized the Board of Management until May 23, 2026, with the approval of the Supervisory Board, to issue – in one or more installments – warrant bonds and/or convertible bonds and/or income bonds or a combination of these instruments (collectively referred to as “bonds”) – as either registered or bearer bonds – with a total nominal value of up to €1,000,000,000, with or without limited maturity, and to grant option rights to, or impose exercise obligations on, the holders or creditors of warrant bonds or income bonds with warrants, and/or to grant conversion rights to, or impose conversion obligations on, the holders or creditors of convertible bonds or convertible income bonds in respect of bearer shares of the company representing a total pro rata increase of up to €8,634,630 in the company's capital stock on the terms to be defined for these bonds. Pursuant to Section 4, Paragraph 5 of the articles of association, the capital stock of LANXESS AG is thus conditionally increased by up to €8,634,630 (Conditional Capital). The Board of Management is authorized, with the approval of the Supervisory Board, to exclude subscription rights in certain cases which are detailed in the authorization. The Board of Management will consider other capital measures with stockholders' subscription rights disappplied in its decision to disapply stockholders' subscription rights when issuing convertible bonds and/or bonds with warrants and/or income bonds (or combinations of these instruments). The authorization to issue bonds has yet to be utilized.

Any shares issued with subscription rights disappplied on the basis of the aforementioned Authorized Capitals I and/or II may not, together with such shares issued or to be issued as part of conditional capital to service warrants or conversion rights or obligations, provided the warrants or conversion rights or obligations were granted or imposed during the term of the authorization with subscription rights disappplied, exceed 10% of the capital stock of LANXESS AG at the time the respective authorization becomes effective.

Treasury Shares and Their Purchase and Utilization

As of December 31, 2023, neither the company nor dependent or majority-owned entities, or third parties acting for the account of the company or for the account of dependent or majority-owned entities, held shares in the company or had taken shares in the company as a pledge.

On May 23, 2019, the Annual Stockholders' Meeting of LANXESS AG resolved to issue an authorization for the purchase and utilization of own shares by the Board of Management. The authorization allows the Board of Management to acquire shares in the company representing up to 10% of the capital stock until May 22, 2024, and to utilize them for any purpose permitted by law. This authorization may also be utilized by subsidiaries of the company or by third parties on behalf of the company or its subsidiaries. The Board of Management utilized this authorization when, in fiscal year 2020, a total of

1,101,549 of the company's shares were repurchased. All repurchased shares were canceled in fiscal year 2021, reducing the company's capital stock by way of a simplified capital reduction in accordance with Section 71 Paragraph 1, No. 8 Sentence 6 AktG. The above authorization of the Board of Management also allows the purchase and utilization of treasury shares of up to 8.72% of the company's capital stock as of the end of fiscal year 2023 until May 22, 2024.

22 | Provisions for Pensions and Other Post-Employment Benefits

Pension provisions relate to pension obligations for present and former employees and to commitments under early retirement programs.

Provisions for pensions and other post-employment benefits as of December 31, 2023, amounted to €112,780 thousand (previous year: €105,773 thousand). The difference pursuant to Section 253, Paragraph 6, Sentence 1 HGB for the fiscal year amounted to €1,484 thousand (previous year: €6,369 thousand) and is subject to the ban on distribution pursuant to Section 253, Paragraph 6, Sentence 2 HGB.

The settlement amounts of the obligations from the pension and similar commitments accessory to the pension liability insurance amounted to €1,601 thousand (previous year: €1,342 thousand) and were netted

against the fair value of the pledged pension liability insurance, which constitutes fund assets as defined in Section 246, Paragraph 2, Sentence 2 HGB, of €1,601 thousand (previous year: €1,342 thousand). The interest expenses of €57 thousand in the reporting period and income from the pension liability insurance of €57 thousand were likewise offset.

23 | Tax Provisions

The tax provisions relate to income taxes of €29,402 thousand (previous year: €16,896 thousand) for previous years.

24 | Other Provisions

The other provisions are established for variable compensation components (APP, LTSP, LTPB and SPP) for employees, vacation and overtime credits, long-service anniversaries and other uncertain liabilities. Other uncertain liabilities comprised, among other things, the expected cost of the Annual Stockholders' Meeting for fiscal year 2023 and the fixed compensation of the Supervisory Board.

The short-term component of variable compensation is the Annual Performance Payment (APP). It includes a financial and a non-financial performance criterion, which are defined by the Board of Management and the Supervisory Board before the beginning of the respective fiscal year. Currently, the financial performance criterion is EBITDA (operating earnings before depreciation, amortization, write-downs and reversals) pre exceptionals and the non-financial performance criterion is the lost time injury frequency rate (LTIFR: accidents per million hours worked) for accidents with days lost.

The long-term, variable components of the compensation system are the Long-Term Stock Performance Plan (LTSP), the Long-Term Performance Bonus (LTPB) and the Sustainability Performance Plan (SPP).

Under the LTSP 2014–2017 program introduced in fiscal year 2014, rights were granted for the years 2014–2017. Awards are based on the performance of LANXESS stock relative to the MSCI World Chemicals Index. The total term of all tranches is generally seven years. The vesting period is four years for each tranche. The base price of the stock and the benchmark index for the LTSP programs are calculated using a volume-weighted average of the closing prices on the first ten

trading days in January of the year of issue of the tranche. The value of a right is dependent on the performance of LANXESS stock relative to the MSCI World Chemicals Index during the vesting period.

LTSP 2018–2021 was introduced in Germany in fiscal year 2018. The tranche has a total term of four years and exclusively comprises the vesting period. The issue date for the rights granted and still outstanding is January 1 of each year. For each year during the term of the LTSP plan, the basic price of the company's stock is calculated from the average closing prices for the stock in Xetra trading on the Frankfurt Stock Exchange. To calculate the average, for each tranche year the closing prices of the last ten trading days in the calendar month of December of the previous year and the closing prices for the first ten trading days of the calendar month of January of the current tranche year are calculated. The value of a right is dependent on the average performance of LANXESS stock relative to the MSCI World Chemicals Index during the vesting period. The performance relative to the index is calculated individually for each of the four years of the vesting period.

The LTSP 2022–2025 program introduced in fiscal year 2022 is essentially identical to LTSP 2018–2021. Unlike the previous compensation program, awards under LTSP 2022–2025 are based on the performance of LANXESS stock relative to the FTSEurofirst 300 Eurozone Chemicals.

Due to its long-term nature, the LTPB, which ended on December 31, 2023, considers sustainable corporate development. At the end of the three-year term of the tranches, the exact amount of the LTPB results one-third each from the respective APP target attainment in the three fiscal years. The last tranche of the LTPB (2021–2023 tranche) was committed in fiscal year 2021. The LTPB was replaced by the new SPP. The SPP considers the long-term development of non-financial sustainability criteria. The assessment period for these criteria is four years. On the basis of LANXESS's published interim goal for 2025, the Supervisory Board set a target for CO₂e emissions reduction for the measurement periods 2021–2024, 2022–2025 and 2023–2026, which is included in the SPP as a performance criterion.

25 | Bonds

Bonds as of the end of the reporting year totaled €2,800,000 thousand (previous year: €3,300,000 thousand) and comprised the following:

€ thousand	Interest rate %	Maturity	Volume
Eurobond 2018/2025	1.125	May 2025	500,000
Eurobond 2016/2026	1.000	October 2026	500,000
Private placement 2012/2027	3.950	April 2027	100,000
Eurobond 2021/2027	0.000	September 2027	500,000
Eurobond 2022/2028	1.750	March 2028	600,000
Eurobond 2021/2029	0.625	December 2029	600,000
			2,800,000

The decline is attributable to the early repayment of a bond of €500,000 thousand.

26 | Liabilities to Banks

In the reporting year, the liabilities to banks of €16,146 thousand (previous year: €730,228 thousand) comprise accrued interest on bonds and fees. The loans of €700,000 thousand recognized in the previous year were repaid in the reporting year.

27 | Trade Payables

All trade payables are to third parties.

28 | Payables to Affiliated Companies

Payables to affiliated companies amounting to €2,254,347 thousand (previous year: €2,618,099 thousand) mainly comprised loans, including accrued interest, and liabilities relating to financial transactions. The liability resulting from the absorption of losses from LANXESS Deutschland GmbH of €87,610 thousand is also reported here. This includes income of €23,344 thousand relating to the previous year.

29 | Other Liabilities

€ thousand	Dec. 31, 2022	Dec. 31, 2023
Tax liabilities	667	478
Social security liabilities	5	5
Miscellaneous liabilities	1,872	156
	2,544	639

30 | Further Information on Liabilities

The residual maturities of liabilities are as follows:

€ thousand	Dec. 31, 2022			Dec. 31, 2023		
	Up to 1 year	More than 1 year	of which more than 5 years	Up to 1 year	More than 1 year	of which more than 5 years
Bonds	0	3,300,000	1,700,000	0	2,800,000	600,000
Liabilities to banks	730,228	0	0	16,146	0	0
Trade payables	2,540	0	0	600	0	0
Payables to affiliated companies	2,610,054	8,045	0	2,254,347	0	0
Other liabilities	2,544	0	0	639	0	0
	3,345,366	3,308,045	1,700,000	2,271,732	2,800,000	600,000

31 | Contingent Liabilities from Guarantees

Under the master agreement concluded between Bayer AG and LANXESS AG together with the Spin-Off and Takeover Agreement, Bayer AG and LANXESS AG agreed, among other things, on commitments regarding mutual indemnification for liabilities in line with the respective asset allocation and on special arrangements allocating responsibility to deal with claims in the areas of product liability, environmental contamination and antitrust violations. The master agreement also contains arrangements for the allocation of tax effects

relating to the spin-off and to the preceding measures to create the subgroup that was subsequently spun off.

LANXESS AG has given the following guarantees on behalf of subsidiaries:

€ thousand	Dec. 31, 2022	Dec. 31, 2023
to banks	98,747	113,830
to suppliers	25,408	21,756
to other third parties	28,187	67,754
	152,342	203,340

In addition, LANXESS AG has provided guarantees on behalf of subsidiaries for payment obligations relating to future deliveries under long-term procurement agreements.

The contingent liabilities shown above include obligations relating to pension benefits of €28,767 thousand (previous year: €28,187 thousand).

The Dutch Group companies Anderol B.V. and LANXESS Sales Netherlands B.V., both based in Venlo, and MC (Netherlands) 1 B.V. and N&H International Holding 3 B.V., both based in Oegstgeest, made use of the exemption from the publication and audit of annual financial statements in accordance with Article 2:403, Paragraph 1 (f) of the Dutch Civil Code. LANXESS AG, as the ultimate parent company, granted a legally prescribed guarantee for all outstanding liabilities as of December 31, 2023, with respect to Article 2:403, Paragraph 1 (f) of the Dutch Civil Code. The liabilities of the companies recognized as of December 31, 2023, amounted to €38,987 thousand.

Based on the information available to us, the companies concerned should be able to fulfill the underlying obligations in all cases. The guarantees are not expected to be utilized.

OTHER MANDATORY DISCLOSURES

32 | Notification of Interests Held in the Company

(Section 160, Paragraph 1, No. 8 AktG)

Notifications of interests held in LANXESS AG are set out in the disclosures pursuant to Section 160, Paragraph 1, No. 8 AktG.

33 | Derivative Financial Instruments

In the course of their business, LANXESS AG and companies in the LANXESS Group are exposed to risks of changes in exchange rates and market prices. Derivative financial instruments are used in some cases to hedge against these risks. These comprise over-the-counter (OTC) instruments that are not traded on an exchange. They mainly include forward exchange contracts, interest rate swaps and forward commodity contracts.

The use of such instruments is governed by uniform guidelines and is subject to stringent internal controls. It is confined to hedging of the Group's operating business and the related investments and financing transactions.

The purpose of using derivative financial instruments is to reduce fluctuations in earnings and cash flows caused by changes in exchange rates, interest rates and market prices.

There is a risk that the value of financial derivatives may change as a result of fluctuations in underlying parameters such as exchange rates or commodity prices. Where derivatives are used for hedging purposes, the possibility of a loss of value due to a drop in prices is offset by corresponding increases in the values of the hedged contracts.

In the case of derivatives with a positive fair value, a credit or default risk arises if the counterparties cannot meet their obligations. To minimize this risk, credit limits are assigned to individual banks, and framework agreements are used that allow offsetting of the fair value of open derivative positions in the event of insolvency of a counterparty.

The notional amount of financial derivative contracts concluded with external counterparties was €1,594,293 thousand as of December 31, 2023 (previous year: €2,323,570 thousand). Back-to-back derivative contracts with a notional amount of €642,717 thousand (previous year: €1,980,158 thousand) were concluded with Group companies. The total notional amount of derivatives was €2,237,010 thousand (previous year: €4,303,727 thousand). This figure also contains those derivatives included in valuation units.

The derivatives comprised the following:

€ thousand	Notional amount		Fair value		Carrying amount	
	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
Forward exchange contracts						
Positive fair values	1,603,858	873,565	37,253	16,299	0	0
Negative fair values	2,681,519	1,316,375	43,235	23,447	2,679	560
	4,285,377	2,189,940	(5,982)	(7,148)	(2,679)	(560)
Forward commodity contracts						
Positive fair values	9,175	23,535	564	6,777	0	0
Negative fair values	9,175	23,535	564	6,777	0	0
	18,350	47,070	0	0	0	0
	4,303,727	2,237,010	(5,982)	(7,148)	(2,679)	(560)

Financial Derivatives Used to Hedge Currency Risks

LANXESS AG used forward exchange contracts to hedge currency risks.

Hedging was undertaken using forward exchange contracts for highly probable forecast transactions by Group companies in foreign currencies and was passed through to these Group companies on a back-to-back basis.

Forward exchange contracts with a notional amount of €296,458 thousand (previous year: €486,121 thousand) and a fair value of €8,298 thousand (previous year: €3,280 thousand) were concluded with external counterparties to hedge highly probable forecast transactions by Group companies in foreign currencies. They were matched by transactions with Group companies with a notional amount of €296,458 thousand (previous year: €486,121 thousand) and had a fair value of minus €8,298 thousand (previous year: minus €3,280 thousand). Changes in the value of the corresponding external and internal transactions move in opposite directions and will offset one another by 2026. These transactions were grouped in valuation portfolios and not recognized in the statement of financial position.

To hedge currency risks relating to receivables and payables of LANXESS AG and Group companies (risk in the statement of financial position), LANXESS AG

concluded forward exchange contracts with external counterparties with a notional amount of €1,274,300 thousand (previous year: €1,828,274 thousand) and a fair value of minus €4,144 thousand (previous year: €3,413 thousand). Some of these transactions were passed through to Group companies. Contracts with these internal counterparties had a notional amount of €322,724 thousand (previous year: €1,484,861 thousand) and a fair value of minus €3,004 thousand (previous year: minus €9,395 thousand). Where forward exchange contracts concluded to hedge foreign currency receivables and payables of Group companies were passed through to the companies concerned by way of internal contracts, they were grouped in valuation portfolios together with the opposing transactions. At the closing date, valuation portfolios comprising external and internal transactions had absolutely equal fair values. They mature in 2024. These transactions were not reflected in the statement of financial position.

Forward exchange contracts that were used to hedge foreign currency risk in the statements of financial position of Group companies and were not matched by internal transactions had a fair value of €560 thousand (previous year: €2,679 thousand).

Further valuation units (micro hedges) comprised foreign currency loans from Group companies to LANXESS AG or vice versa for which forward exchange contracts had been concluded on a back-to-back basis. The

carrying amount of loans granted by LANXESS AG was €189,816 thousand at year end (previous year: €180,565 thousand), while the carrying amount of loans to LANXESS AG was €766,297 thousand (previous year: €1,230,115 thousand). The net currency risk was €6,964 thousand (previous year: €9,433 thousand). The external forward exchange contracts had a net positive fair value of €474 thousand (previous year: €3,490 thousand) and are all due in 2024. They were not recognized in the statement of financial position.

Financial Derivatives Used to Hedge Interest Rate Risks

LANXESS AG used interest rate swaps to hedge interest rate risks when issuing financing instruments.

The hedges comprise external interest rate swaps that hedge highly probable forecast transactions for the Group's refinancing and are to be issued directly by LANXESS AG on the capital market. LANXESS had no such transactions in 2023.

Financial Derivatives Used to Hedge Commodity Price Risks

Forward commodity contracts concluded with external counterparties, all of which mature by 2028, were passed through to Group companies on a back-to-back basis. The results of such transactions that had terminated by year end canceled each other out. Micro hedges were established for open transactions, giving a net zero result.

Valuation Methods

The fair values of financial derivatives are determined using customary valuation methods and are based on the market data (market values) available at the measurement date. The following principles are applied:

- › The fair values of forward exchange contracts are derived from their trading or listed prices using the “forward method.”
- › The fair values of forward commodity contracts are also derived from their trading or listed prices using the “forward method.”

The effectiveness of hedge relationships is measured using the dollar-offset method.

34 | Total Compensation of the Board of Management and Supervisory Board (Pursuant to Section 285, No. 9a HGB)

For fiscal year 2023, total compensation of €6,778 thousand (previous year: €10,763 thousand) was paid to the members of the Board of Management of LANXESS AG, comprising €4,442 thousand (previous year: €7,279 thousand) in short-term compensation (annual base salary, Annual Performance Payment (APP), benefits in kind and other) and €2,336 thousand (previous year: €3,484 thousand) in multi-year compensation.

The multi-year compensation includes payments of €160 thousand (previous year: €1,130 thousand) under the Long-Term Performance Bonus (LTPB) and payments under the stock-based Long-Term Stock Performance Plan (LTSP). The number of compensation rights granted under the LTSP was 2,501,042 (previous year: 2,354,022). The fair value of these rights at the grant date was €2,176 thousand (previous year: €2,354 thousand). In fiscal year 2023, stock-based compensation resulted in income of €437 thousand (previous year: expense of €761 thousand).

In addition, net expenses of €5,582 thousand (previous year: €4,061 thousand) were incurred to provide retirement pensions for the members of the Board of Management. The present value of the benefit obligation as of the end of 2023 for those members of the Board of Management serving on that date was €23,813 thousand (previous year: €25,769 thousand). The net expenses for Dr. Anno Borkowsky and Michael Pontzen, who left the Board of Management in the reporting year, amounted to €1,012 thousand.

The compensation of the Supervisory Board was as follows:

Compensation of the Supervisory Board

€ thousand	Fixed compensation	Compensation for committee membership	Attendance allowance	Total
2023	1,160	500	185	1,845
2022	1,160	495	188	1,843

In addition, the employee representatives on the Supervisory Board who are employees of the LANXESS Group received salaries under their employment contracts. The amounts of these salaries represented appropriate compensation for the employees' functions and tasks within the Group.

35 | Total Remuneration of Former Members of the Board of Management and of Members of the Board of Management Who Stepped Down During the Fiscal Year (Pursuant to Section 285, No. 9a and No. 9b HGB)

Payments totaling €1,560 thousand (previous year: €1,505 thousand) and relating to pension benefits were made to former members of the Board of Management in fiscal year 2023, €318 thousand (previous year: €318 thousand) of which related to one-time capital payments. €1,676 thousand (previous year: €3,637 thousand) was recognized as current pension expense.

Provisions of €45,669 thousand were recognized as of December 31, 2023 (previous year: €37,002 thousand), for the current pensions and the pension entitlements of former members of the Board of Management.

36 | Loans and Advances Granted to Members of the Board of Management and the Supervisory Board (Pursuant to Section 285, No. 9c HGB)

There were no loans or advances to members of the Board of Management or the Supervisory Board as of December 31, 2023, nor had any other financial commitments been entered into for these individuals.

37 | Amounts Barred from Distribution (Pursuant to Section 253, Paragraph 6, Sentence 2 HGB)

Amounts subject to the bar on distribution as of the closing date:

€ thousand	Dec. 31, 2022	Dec. 31, 2023
Provisions for pensions (seven-year average interest rate)	112,345	114,191
less provisions for pensions (ten-year average interest rate)	(105,976)	(112,707)
Difference	6,369	1,484
Total amount barred from distribution	6,369	1,484

As of December 31, 2023, the level of unrestricted reserves exceeded the total volume of amounts barred from distribution. Therefore, no bar on distribution applies to the distributable profit of €442,495 thousand.

38 | Events After the End of the Reporting Period

No events of special significance took place after December 31, 2023, that are expected to materially affect the financial position or results of operations of LANXESS AG.

39 | Appropriation of Earnings

Regarding the appropriation of distributable profit of €442,495 thousand, the Board of Management proposes that the Annual Stockholders' Meeting resolve on the payment of a dividend of €0.10 per no-par share entitled to the dividend. This equates to a total distribution of €8,635 thousand. The amount remaining after deduction of the planned dividend, €433,860 thousand, is to be carried forward to new account.

40 | Corporate Officers

Supervisory Board

Members of the Supervisory Board hold offices as members of the supervisory board or a comparable supervising body of the corporations listed.

The following representatives of the company's stockholders were members of the Supervisory Board in fiscal year 2023:

Dr. Matthias L. Wolfgruber (Chairman)
Self-employed consultant
Former Chairman of the Management Board of ALTANA AG
Further offices
LANXESS Deutschland GmbH, Cologne ¹⁾ (Chairman)
ALTANA AG, Wesel ¹⁾ (Chairman of the Supervisory Board)
Cabot Corporation, Boston, Massachusetts, U.S.
Hans van Bylen
Self-employed consultant
Former Chairman of the Management Board of Henkel AG & Co. KGaA
Former President of Verband der Chemischen Industrie e.V. (VCI)
Further offices
LANXESS Deutschland GmbH, Cologne ¹⁾
Ontex Group NV, Erembodegem (Aalst), Belgium (Chairman of the Supervisory Board)
Akzo Nobel N.V., Amsterdam, Netherlands
Etex NV, Luchthaven Brussel Nationaal, Belgium
Dr. Heike Hanagarth
Self-employed management consultant
Former member of the Board of Management of Deutsche Bahn AG, Berlin
Further offices
LANXESS Deutschland GmbH, Cologne ¹⁾
Grillo-Werke AG, Duisburg ¹⁾ (since March 16, 2023)
Martur Fompak International/Automotive Seating Systems AS, Istanbul, Turkey
Rivean Capital Advisory GmbH, Frankfurt am Main (member of the Advisory Board)

¹⁾ Statutory supervisory boards.

Pamela Knapp

Member of the Boards of Management and Supervisory Boards of various European commercial enterprises

Former CFO of GfK SE

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

Compagnie de Saint-Gobain S.A., Courbevoie, France (member of the Board of Directors – Conseil d'Administration – and Chairwoman of the Audit Committee)

Signify NV, Eindhoven, Netherlands (member of the Supervisory Board and Chairwoman of the Audit Committee)

Dr. Rainier van Roessel

Self-employed consultant

Former member of the Board of Management and Labor Director of LANXESS AG

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

K+S Aktiengesellschaft, Kassel¹⁾

K+S Minerals and Agriculture GmbH, Kassel¹⁾

Lawrence A. Rosen

Member of the Supervisory Boards of various commercial enterprises

Former member of the Board of Management of Deutsche Post AG

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

Deutsche Post AG, Bonn¹⁾

Qiagen N.V., Venlo, Netherlands (Chairman of the Supervisory Board)

1) Statutory supervisory boards.

The following representatives of the company's employees were members of the Supervisory Board in fiscal year 2023:

Ralf Sikorski (Vice Chairman)

Vice Chairman of the German Mining, Chemical and Energy Industrial Union, Hanover

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾ (Vice Chairman)

RAG AG, Herne¹⁾

RWE AG, Essen¹⁾ (Vice Chairman)

RWE Generation SE, Essen¹⁾ (resigned as of February 28, 2023)

RWE Power AG, Cologne and Essen¹⁾ (Vice Chairman)

Chemie Pensionsfonds, Wiesbaden¹⁾ (Chairman, resigned as of December 31, 2023)

Birgit Bierther

Member of the LANXESS Works Council at the Cologne site (Chairwoman until October 31, 2023)

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

Armando Dente

District manager at IGBCE, Cologne-Bonn district

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

INEOS Deutschland Holding GmbH, Cologne¹⁾

INEOS Manufacturing Deutschland GmbH, Cologne¹⁾

Dr. Hans-Dieter Gerriets

Chairman of the Group Managerial Employees' Committee of LANXESS AG

Chairman of the LANXESS Managerial Employees' Committee

Manager of a production facility in the Advanced Industrial Intermediates business unit of LANXESS Deutschland GmbH

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

Iris Schmitz

Chairwoman of the LANXESS Central Works Council

Vice Chairwoman of the LANXESS Group Works Council

Chairwoman of the LANXESS Works Council at the Leverkusen site

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

Saltigo GmbH, Leverkusen¹⁾

Manuela Strauch

Chairwoman of the LANXESS Group Works Council

Vice Chairwoman of the LANXESS Central Works Council

Chairwoman of the LANXESS Works Council at the Uerdingen site

Further offices

LANXESS Deutschland GmbH, Cologne¹⁾

1) Statutory supervisory boards.

Board of Management

The following persons were members of the Board of Management in fiscal year 2023:

Member of the Board of Management	External offices	Offices within the LANXESS Group
Matthias Zachert Chairman of the Board of Management	<ul style="list-style-type: none"> Member of the Supervisory Board of Siemens AG, Berlin and Munich 	<ul style="list-style-type: none"> Chairman of the Executive Board of LANXESS Deutschland GmbH
Frederique van Baarle Member of the Board of Management and Labor Director (since April 1, 2023)		<ul style="list-style-type: none"> Member of the Executive Board of LANXESS Deutschland GmbH (since April 1, 2023) Chairwoman of the Board of Directors of LANXESS Corp. (since April 1, 2023)
Dr. Anno Borkowsky Member of the Board of Management (resigned as of December 31, 2023)	<ul style="list-style-type: none"> Member of the Board of Administration of Hüttenes-Albertus Chemische Werke GmbH (since July 1, 2023) 	<ul style="list-style-type: none"> Member of the Executive Board of LANXESS Deutschland GmbH (resigned as of December 31, 2023) Chairman of the Board of Directors of LANXESS Hong Kong Ltd. (resigned as of December 31, 2023) Member of the Board of Directors of LANXESS Corp. (resigned as of December 31, 2023) Chairman of the Board of Directors of LANXESS Chemical (China) Co. Ltd. (resigned as of December 31, 2023) Chairman of the Board of Directors of LANXESS India Private Ltd. (resigned as of December 31, 2023)
Dr. Hubert Fink Member of the Board of Management		<ul style="list-style-type: none"> Member of the Executive Board of LANXESS Deutschland GmbH Chairman of the Supervisory Board of Saltigo GmbH Chairman of the Supervisory Board of LANXESS Performance Materials GmbH (resigned as of March 29, 2023)
Michael Pontzen Member of the Board of Management and Chief Financial Officer (resigned as of August 31, 2023)		<ul style="list-style-type: none"> Member of the Executive Board of LANXESS Deutschland GmbH (resigned as of August 31, 2023) Member of the Board of Directors of LANXESS Corp. (resigned as of August 31, 2023) Member of the Board of Directors of LANXESS Solutions Korea Inc. (resigned as of August 31, 2023) Member of the Board of Directors of EPM Polymer Additives Holding Corp. (resigned as of August 31, 2023) Member of the Board of Directors of Emerald Performance Materials, LLC (resigned as of August 31, 2023)
Oliver Stratmann Member of the Board of Management and Chief Financial Officer (since September 1, 2023)		<ul style="list-style-type: none"> Member of the Executive Board of LANXESS Deutschland GmbH (since September 1, 2023)

Disclosures Pursuant to Section 160, Paragraph 1, No. 8 of the German Stock Corporation Act (AktG)

Notified by	Date of change	Threshold	Voting rights		Voting rights via instruments		Attributable voting rights
			%	%	absolute	%	
The Capital Group Companies, Inc., Los Angeles, U.S.	Oct. 23, 2023	10.00	14.89	12,855,761	0.06	48,001	The Capital Group Companies, Inc., Los Angeles, U.S. (14.89% pursuant to Sections 33, 34 WpHG new version and 0.06% pursuant to Section 38 No. 1 WpHG new version)
The Goldman Sachs Group, Inc., Wilmington, DE, U.S.	Nov. 10, 2022	5.00	0.19	163,642	7.31	6,315,597	The Goldman Sachs Group, Inc., Wilmington, DE, U.S. (0.19% pursuant to Sections 33, 34 WpHG new version and 7.31% pursuant to Section 38 No. 1 WpHG new version)
Scott Ferguson	Dec. 14, 2023	5.00	0.60	520,000	4.68	4,040,000	Scott Ferguson (0.6% pursuant to Sections 33, 34 WpHG new version and 4.68% pursuant to Section 38 No. 1 WpHG new version)
Causeway Capital Holdings LLC, Wilmington, DE, U.S.	Oct. 6, 2023	5.00	5.21	4,495,907	0.00	0	Causeway Capital Holdings LLC, Wilmington, DE, U.S. (5.21% pursuant to Sections 33, 34 WpHG new version)
SMALLCAP World Fund, Inc., Lutherville Timonium, MD, U.S. ¹⁾	May 26, 2022	5.00	5.02	4,333,515	0.00	0	SMALLCAP World Fund, Inc., Lutherville Timonium, MD, U.S. (5.02% pursuant to Sections 33, 34 WpHG new version)
Israel Englander	Jun. 1, 2022	3.00	0.00	0	4.84	4,176,886	Israel Englander (4.84% pursuant to Section 38 No. 1 WpHG new version)
Bank of America Corporation, Wilmington, DE, U.S.	Jan. 3, 2024	3.00	1.79	1,548,947	2.74	2,370,041	Bank of America Corporation, Wilmington, DE, U.S. (1.79% pursuant to Sections 33, 34 WpHG new version and 2.74% pursuant to Section 38 No. 1 WpHG new version)
BlackRock, Inc., New York, NY, U.S.	Nov. 1, 2023	3.00	3.00	2,590,552	0.59	505,835	BlackRock, Inc., New York, NY, U.S. (3.00% pursuant to Sections 33, 34 WpHG new version and 0.59% pursuant to Section 38 No. 1 WpHG new version)
Barclays Plc, London, Great Britain	Jun. 19, 2023	3.00	2.93	2,530,900	0.62	532,059	Barclays Plc, London, Great Britain (2.93% pursuant to Sections 33, 34 WpHG new version and 0.62% pursuant to Section 38 No. 1 WpHG new version)
Ministry of Finance on behalf of the State of Norway, Oslo, Norway	Jan. 24, 2024	3.00	3.07	2,652,400	0.20	176,293	Norges Bank, Oslo, Norway (3.07% pursuant to Sections 33, 34 WpHG new version and 0.20% pursuant to Section 38 No. 1 WpHG new version)
UBS Group AG, Zürich, Switzerland	Jan. 13, 2020	3.00	2.94	2,566,755	0.26	228,929	UBS Group AG, Zürich, Switzerland (2.94% pursuant to Sections 33, 34 WpHG new version and 0.26% pursuant to Section 38 No. 1 WpHG new version)
Allianz Global Investors GmbH	Apr. 16, 2018	3.00	2.96	2,713,368	0.09	74,804	Allianz Global Investors GmbH, Frankfurt am Main, Germany (2.96% pursuant to Sections 33, 34 WpHG new version and 0.09% pursuant to Section 38 No. 1 WpHG new version)
New World Fund, Inc., Lutherville Timonium, MD, U.S. ¹⁾	Jun. 21, 2023	3.00	3.07	2,649,344	0.00	0	New World Fund, Inc., Lutherville Timonium, MD, U.S. (3.07% pursuant to Sections 33, 34 WpHG new version)
Employees Provident Fund Board, Selangor, Malaysia	Dec. 28, 2023	3.00	3.04	2,625,000	0.00	0	Employees Provident Fund Board, Selangor, Malaysia (3.04% pursuant to Sections 33, 34 WpHG new version)
DWS Investment GmbH, Frankfurt am Main, Germany	Jun. 20, 2023	3.00	2.93	2,533,581	0.00	0	DWS Investment GmbH, Frankfurt am Main, Germany (2.93% pursuant to Sections 33, 34 WpHG new version)
Warren E. Buffett	Nov. 6, 2023	3.00	2.86	2,473,502	0.00	0	Warren E. Buffett (2.86% pursuant to Sections 33, 34 WpHG new version)
Otis Mason Hawkins	Apr. 3, 2023	3.00	2.83	2,446,096	0.00	0	Otis Mason Hawkins (2.83% pursuant to Sections 33, 34 WpHG new version)
New Perspective Fund, Wilmington, DE, U.S. ¹⁾	Oct. 17, 2023	3.00	2.57	2,216,869	0.00	0	New Perspective Fund, Wilmington, DE, U.S. (2.57% pursuant to Sections 33, 34 WpHG new version)

¹⁾ Subsidiary of The Capital Group Companies, Inc.

List of Shareholdings

LANXESS AG, either directly or indirectly, holds at least 20% of the shares in the following companies (information pursuant to Section 285, No. 11 HGB). The figures stated for equity and net income/loss are derived from the annual financial statements prepared in accordance with local law.

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
Germany			
CheMondis GmbH, Cologne	100	0 ¹⁾	0 ¹⁾
IAB Ionenaustauscher GmbH Bitterfeld, Bitterfeld-Wolfen	100	31 ¹⁾	0 ¹⁾
IMD Natural Solutions GmbH, Dortmund	100	1 ¹⁾	0 ¹⁾
LANXESS Deutschland GmbH, Cologne	100	1,299 ¹⁾	0 ¹⁾
LANXESS Global Business Services GmbH, Cologne	100	0 ¹⁾	0 ¹⁾
LANXESS Organometallics GmbH, Bergkamen	100	52 ¹⁾	0 ¹⁾
LANXESS Trademark GmbH & Co. KG, Leverkusen	100	200 ²⁾	0 ²⁾
Saltigo GmbH, Leverkusen	100	28 ¹⁾	0 ¹⁾
THESEO Deutschland GmbH, Wietmarschen	100	(1)	(2)

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
EMEA (excluding Germany)			
Anderol B.V., Venlo, Netherlands	100	13	(5)
Antec International Ltd., Sudbury, Suffolk, Great Britain	100	43	5
BIOLINK LIMITED, Hull, Great Britain	100	5	1
Chemtura France S.A.S., Fitz James, France	100	5	0
DDP Specialty Products Poland Sp.z.o.o., Warsaw, Poland	100	1	0
LANXESS Chemical B.V., KH Botlek, Rotterdam, Netherlands	100	120	(12)
Emerald Kalama Chemical Holdings Ltd., St. Helier, Jersey	100	18	(2)
LANXESS Chemical Ltd., Widnes, Great Britain	100	15	(12)
EUROPIGMENTS, S.L., Barcelona, Spain	52	5	1
Great Lakes Holding S.A.S., Fitz James, France	100	7	0
INTACE S.A.S., Courbevoie, France	100	4	1
LANXESS (Pty) Ltd., Modderfontein, South Africa	100	(31)	(5)
LANXESS Belgium NV, Kallo, Belgium	100	257	(8)
LANXESS Central Eastern Europe s.r.o., Bratislava, Slovakia	100	33	3
LANXESS Chemicals S.L., Barcelona, Spain	100	1,524	53
LANXESS Epierre SAS, Epierre, France	100	3	0

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
LANXESS Holding UK Unlimited, Manchester, Great Britain	100	144	0
LANXESS Investments Netherlands B.V., Venlo, Netherlands	100	535	(13)
LANXESS Kimya Ticaret Limited Şirketi, Istanbul, Turkey	100	2	1
LANXESS Limited, Manchester, Great Britain	100	22	0
LANXESS Manufacturing Netherlands B.V., Venlo, Netherlands	100	101	1
LANXESS S.A.S., Courbevoie, France	100	34	3
LANXESS S.r.l., Milan, Italy	100	58	3
LANXESS Sales Netherlands B.V., Venlo, Netherlands	100	26	0
LANXESS Solutions Italy S.r.L., Latina, Italy	100	47	(3)
LANXESS Solutions UK Ltd., Manchester, Great Britain	100	212	31
LANXESS Switzerland GmbH, Frauenfeld, Switzerland	100	187 ³⁾	4 ³⁾
LANXESS Urethanes UK Ltd., Baxenden NR Accrington, Great Britain	100	25	2
MC (Netherlands) 1 B.V., Oegstgeest, Netherlands	100	(194)	(11)
MC Turkey Teknoloji Ltd. Şirketi, Istanbul, Turkey	100	0	0
Microbial Control (Switzerland) GmbH, Frauenfeld, Switzerland	100	42 ³⁾	5 ³⁾

1) Result after profit transfer

2) Profit transfer to limited partner

3) Financial statements as of December 31, 2022

4) Financial statements as of March 31, 2023

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
Microbial Control France SAS, Courbevoie Cedex, France	100	1	0
Microbial Control Sweden Technologies AB, Stockholm, Sweden	100	0	0
N&H International Holding 3 B.V., Oegstgeest, Netherlands	100	342	(39)
Nutrition & Biosciences (Finland) Oy, Helsinki, Finland	100	3	0
Nutrition & Biosciences South Africa (Pty.) Ltd., Gauteng, South Africa	100	0	0
Specialty Products FZE, Dubai, UAE	100	1	0
Sybron Chemical Industries Nederland B.V., Ede, Netherlands	100	45	1
Sybron Chemicals International Holdings Ltd., Manchester, Great Britain	100	0	0
THESEO FRANCE SAS, Laval, France	100	6	1
North America			
LANXESS Canada Co./Cie, Halifax, Canada	100	107	2
LANXESS Corporation, Wilmington, U.S.	100	2,382	75
LANXESS Services US LLC, Wilmington, U.S.	100	1	0
MC (US) 3 LLC, Wilmington, U.S.	100	44	14

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
Nutrition & Biosciences Canada Company, Halifax, Canada	100	2	1
Nutrition & Biosciences USA 2, LLC, Wilmington, U.S.	100	60	12
Rohm and Haas Wood Treatment LLC, Wilmington, U.S.	100	52	7
Sybron Chemical Holdings Inc., Wilmington, U.S.	100	17	0
Latin America			
Chemtura Corporation Mexico, S. de R.L. de C.V., Mexico City, Mexico	100	21	2
IPEL-Itibanyl Produtos Especiais Ltda., Jarinu, Brazil	100	20	3
LANXESS Indústria de Produtos Químicos e Plásticos Ltda., São Paulo, Brazil	100	119	3
LANXESS S.A. de C.V., Mexico City, Mexico	100	54	1
LANXESS S.A., Buenos Aires, Argentina	100	15	(11)
MC BRAZIL IMPORTAÇÃO E EXPORTAÇÃO DE MICROBIÓTICOS LTDA., Bairro Cristais, Brazil	100	7	(1)
Nutrition & Biosciences Colombia S.A.S., Bogotá D.C., Colombia	100	0	0
Nutrition & Biosciences Mexico S. de R.L. de C.V., Mexico City, Mexico	100	2	(1)

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
Asia-Pacific			
Chemtura China Holding Co. Ltd., Shanghai, China	100	27	1
Danisco Nutrition & Biosciences Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100	0	0
Danisco Nutrition & Biosciences Taiwan Limited, Kaohsiung, Taiwan	100	3	2
EPM Emerald Performance Hong Kong Ltd., Hong Kong, Hong Kong	100	0	0
LANXESS (Liyang) Polyols Co., Ltd., Liyang, China	100	(18)	(7)
LANXESS (Ningbo) Pigments Co., Ltd., Ningbo City, China	100	4	(13)
LANXESS Additives Taiwan Ltd., Kaohsiung, Taiwan	100	3	(2)
LANXESS Advanced Materials (Nantong) Co., Ltd., Nantong, China	100	28	7
LANXESS Chemical (China) Co., Ltd., Shanghai, China	100	102	4
LANXESS Hong Kong Limited, Hong Kong, Hong Kong	100	338	(25)
LANXESS India Private Ltd., Thane, India	100	230 ⁴⁾	46 ⁴⁾
LANXESS K.K., Tokyo, Japan	100	44	2
LANXESS Korea Limited, Seoul, Republic of Korea	100	20	2

1) Result after profit transfer

2) Profit transfer to limited partner

3) Financial statements as of December 31, 2022

4) Financial statements as of March 31, 2023

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Fully consolidated companies			
LANXESS Pte. Ltd., Singapore, Singapore	100	61	4
LANXESS Pty. Ltd., Granville, Australia	100	10	1
LANXESS Solutions Australia Pty. Ltd., West Gosford, Australia	100	3	1
LANXESS Solutions India Private Ltd., Thane, India	100	0 ⁴⁾	0 ⁴⁾
LANXESS Solutions Japan Ltd., Tokyo, Japan	100	6	0
LANXESS Solutions Korea Inc., Seoul, Republic of Korea	100	1	0
LANXESS Specialty Chemicals Co., Ltd., Shanghai, China	100	(35)	(7)
MC (New Zealand) Technologies Ltd., Auckland, New Zealand	100	0	0
Microbial Control (Australia) Pty. Ltd., Sydney, Australia	100	1	1
Microbial Control (Hong Kong) Ltd., Hong Kong, Hong Kong	100	1	0
Microbial Control (India) Private Ltd., Thane, India	100	11 ⁴⁾	1 ⁴⁾
Microbial Control (Thailand) Co., Ltd., Bangkok, Thailand	100	6	0
Microbial Control Technologies (Shanghai) Co., Ltd., Shanghai, China	100	72	(4)
PT Blue Cube Indonesia, Jakarta, Indonesia	100	1	0
Rhein Chemie (Qingdao), Ltd., Qingdao, China	90	34	2

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Joint operations			
North America			
Rubicon LLC, Salt Lake City, U.S.	50	10 ³⁾	0 ³⁾
Associates			
Germany			
Envalior GmbH, Cologne	40.94	1,235 ³⁾	(1) ³⁾
North America			
Viance LLC, Wilmington, U.S.	49.99	5 ³⁾	22 ³⁾
Immaterial non-consolidated subsidiaries			
Germany			
LANXESS Trademark Management GmbH, Leverkusen	100	0	0
Neunte LXS GmbH, Cologne	100	0 ¹⁾	0 ¹⁾
EMEA (excluding Germany)			
Gulf Stabilizers Industries Sales FZCO, Dubai, UAE	52	0	0
Nutrition & Biosciences (UK) Ltd., Manchester, Great Britain	100	0	4
W. Hawley & Son Ltd., Manchester, Great Britain	100	0	0

Company name and domicile

	Interest held (%)	Equity (€ million)	Result (€ million)
Latin America			
Comercial Andinas Ltda., Santiago de Chile, Chile	100	0	0
Nutrition & Biosciences Chile SpA, Santiago, Chile	100	0	0
Rhein Chemie Uruguay S.A., Colonia, Uruguay	100	0	0
Asia-Pacific			
LANXESS Thai Co., Ltd., Bangkok, Thailand	100	3	0
LANXESS Vietnam Co., Ltd., Ho Chi Minh City, Vietnam	100	0	0
PCTS Specialty Chemicals Malaysia (M) Sdn. Bhd., Kuala Lumpur, Malaysia	100	1	0

1) Result after profit transfer

2) Profit transfer to limited partner

3) Financial statements as of December 31, 2022

4) Financial statements as of March 31, 2023

Cologne, March 8, 2024

LANXESS Aktiengesellschaft

The Board of Management

Matthias Zachert

Frederique van Baarle

Dr. Hubert Fink

Oliver Stratmann

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable financial reporting principles, the annual financial statements give a true and fair view of the earnings, asset and financial position of the LANXESS AG, and the combined management report includes a fair review of the development and performance of the business and the position of the LANXESS Group and LANXESS AG, together with a description of the principal opportunities and risks associated with the expected development of the LANXESS Group and LANXESS AG.

Cologne, March 8, 2024
LANXESS Aktiengesellschaft

The Board of Management

Matthias Zachert

Frederique van Baarle

Dr. Hubert Fink

Oliver Stratmann

Independent Auditor's Report

"To LANXESS Aktiengesellschaft, Cologne

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of LANXESS Aktiengesellschaft, Köln, which comprise the balance sheet as at 31 December 2023, and the statement of profit and loss for the financial year from 1 January to 31 December 2023 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of LANXESS Aktiengesellschaft, which is combined with the group management report, for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the disclosure marked as unaudited in section "Monitoring the opportunity and risk management system" of the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- › the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance for the financial year from 1 January to 31 December 2023 in compliance with German Legally Required Accounting Principles and
- › the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the disclosure in section "Monitoring the opportunity and risk management system" of the management report referred to above.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014,

referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the annual financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

1 Recoverability of investments in affiliated companies

Our presentation of this key audit matter has been structured as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matter:

1 Recoverability of investments in affiliated companies

① Investments in affiliated companies amounting to €739 million (9,3% of total assets) are reported under the "Financial Assets" balance sheet item in the annual financial statements of LANXESS Aktiengesellschaft. The investments in affiliated companies comprise the investment in LANXESS Deutschland GmbH, which holds further investments in turn.

Investments in affiliated companies are measured in accordance with German commercial law at the lower of cost and fair value. The impairment testing of the shares in LANXESS Deutschland GmbH also takes into account the fair values of its indirect and direct investments, since these could have a material impact on the fair value of the shares in LANXESS Deutschland GmbH. The respective

fair values of LANXESS Deutschland GmbH and its indirect and direct investments are determined if there are indications of possible impairment. For this purpose, the investments are reviewed to establish whether the carrying amount of the investment is not covered by the corresponding (share of) net assets of the company, the company has a history of making losses or there are other indicators which could result in the permanent impairment of the investment.

The fair values for investments are generally calculated as the present values of the expected future cash flows derived from the planning projections prepared by the Company. The reviews for indications impairment and the fair values determined did not result in a need for any write-downs for the fiscal year.

The outcome of the reviews and valuations depends in particular on planning projections, the estimation of future cash inflows as well as discount and growth rates, which are subject to material uncertainty. Against this background and in view of its material importance for LANXESS Aktiengesellschaft's assets, liabilities, and financial performance, this matter was of particular significance for our audit.

② As part of our audit, we reviewed and evaluated the methodological procedure as adopted for the purposes of the impairment testing of the shares in LANXESS Deutschland GmbH, among other things. Using the annual financial statements of

LANXESS Deutschland GmbH, we verified that the carrying amount of the investment in LANXESS Deutschland GmbH is covered by the company's net assets and that there is no history of making losses. In addition, we conducted interviews with the client, examined the documentation for matters that could result in the permanent impairment of the investment and also obtained information on this subject from the executive directors. We also inspected the planning projections for the various business areas at the level of LANXESS Aktiengesellschaft and verified that these contained no evidence for the permanent impairment of the investments either. We assessed the appropriateness of the future cash inflows used in the planning projections, among other things by comparing this data with the current budgets in the multi-year plan approved by the executive directors, and reconciling it against general and sector-specific market expectations. Overall, the assumptions used by the executive directors are in line with our expectations.

We also assessed the recoverability of the investments held by LANXESS Deutschland GmbH. For this purpose, we investigated whether the carrying amount of the investment is covered by the (share of) the net assets of the respective company. In the case of those companies with (a share of) net assets below the carrying amount of the investment, a history of losses or other indicators that could result in the permanent impairment of the investment, we obtained the relevant determination of fair value for the investment and assessed whether the fair values were properly calculated and whether

they affect the carrying amount of the investment in LANXESS Deutschland GmbH.

In our view, on the basis of the available information, the procedures adopted by the executive directors for the purpose of the impairment testing of the shares in LANXESS Deutschland GmbH, including the measurement parameters applied and underlying measurement assumptions, are appropriate overall for the proper measurement of the investments in affiliated companies.

③ The Company's disclosures relating to the investments in affiliated companies are contained in the notes to the financial statements in the section entitled "Accounting Policies and Valuation Principles".

Other Information

The executive directors are responsible for the other information. The other information comprises the disclosure marked as unaudited in section "Monitoring the opportunity and risk management system" of the management report as an unaudited part of the management report.

The other information comprises further

- › the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- › the separate non-financial report to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- › is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- › otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required

Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- › Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- › Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- › Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- › Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- › Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- › Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- › Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the

key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file LXS_AG_JA+LB_ESEF-2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2023 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF-documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- › Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks,

and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- › Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- › Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.
- › Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 24 May 2023. We were engaged by the supervisory board on 19 October 2023. We have been the auditor of the LANXESS Aktiengesellschaft, Köln, without interruption since the financial year 2004.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an Other Matter– Use of the Auditor's Report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Folker Trepte.

Cologne, March 11, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Folker Trepte
Wirtschaftsprüfer

ppa. Daniel Deing
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PUBLISHER

LANXESS AG

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